

ADMINISTRATIVE INTERNAL USE ONLY

84-2890

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

OC Grade Banding

FROM:

AC/PMCD/OP

EXTENSION

NO.

DATE

31 JUL 1984

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. DD/PA&amp;E

1 AUG 1984

8/1

BGC

Attached is memorandum on the status of OC banding.

2.

3. EO-D/PERS

4.

5. DD/PERS

6.

7. D/PERS

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11.

14 AUG 1984

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Sat

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AC/PMCD

16 AUG 84

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15.

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FORM 1-79

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USE PREVIOUS EDITIONS

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GPO : 1983 O - 411-632

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31 JUL 1984

MEMORANDUM FOR: Director of Personnel

VIA: Deputy Director of Policy, Analysis  
and EvaluationFROM:   
Acting Chief, Position Management  
and Compensation Division

SUBJECT: OC Grade Banding

1. On 27 July, the OC Grade Banding Task Force presented its proposal for administrative controls on promotions and within-band pay decisions to the Director of Communications (D/OC). The D/OC agreed with the task force proposal in general, but intends to make minor changes prior to final approval in the next few days. As presented, the administrative procedures for overseeing the merit aspects of the OC experiment are viable and provide a framework in which we can fine tune the experimental pay system over time.

2. Several major obstacles remain to be overcome if a 1 October 1984 implementation is to be effected. These are as follows:

a. Determine positions which are to be included, develop position level criteria, and assign positions to levels. This is tedious work, but can be accomplished on time for implementation with cooperation between OC and PMCD.

b. Modify PERSIGN and payroll systems to accommodate the new system. We have met with  ADRB, and  OF to discuss this process. Both have been provided tentative schedules and have been briefed on the proposal.

c. Obtain cost data for the conversion from GS to the banded system. HRPS is developing this data for us and we hope to have a ballpark figure shortly.

d. Develop a training program for OC managers and employees to indoctrinate them into the system. Although OC and PMCD will begin work on this program shortly, the process will not be completed by October. Implementing the new pay system prior to completion of the education process has a downside risk in terms of employee acceptance of the program. This was a key element of the implementation process at China Lake, and is important in building trust. On the plus side, the fact that an OC task force has worked on the administrative procedures to date will have some credibility with the troops, but it is not the same as face-to-face discussions with affected employees. Mr. Donnelly, however, has indicated that he is willing to accept this risk.

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SUBJECT: OC Grade Banding

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e. Develop budgetary control process with Comptroller. We will be meeting with [ ] on Wednesday to discuss options in this area.

f. Obtain DDCI approval of the proposed pay experiment. We are awaiting D/OC approval of the banding task force proposal and conversion cost estimates. We expect to be able to forward the proposal by 3 August 1984.

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g. Obtain Congressional Oversight Committee concurrence on experiment and advise OMB. We have discussed this process with [ ] of OLL and she believes that we should coordinate informally with committees prior to implementation to avoid overseas pay type problems. Grade banding is an area which has keen Congressional interest now with the DOD proposal for expanding the Navy experiment to other federal agencies. This interest will likely be increased with the publication shortly of a Congressional Budget Office report on federal classification which apparently discusses banding as an expensive alternative to the General Schedule. Even though grade banding ostensibly groups General Schedule grades, it is not GS and bears no resemblance to GS beyond the fact that base rates of the various levels are linked to the GS, much as the Foreign Service Schedule is linked to the GS. The administrative controls we have developed to date demonstrate an effectively controlled system which should not trouble the Hill. However, we need further definition on the process for monitoring expenditures for the program to answer questions which might arise from the Hill. Dave Yager should be able to help in this matter when we meet on Wednesday.

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